GF ✓

PRESERVED

App. F. IX-4

G.7 Reb. 228-32
G.7. 13-325 1,7,8 9

Previous References

G.7 13-325 32 to 34
G.7 13-325 40 to 43, 46, 47
49, 61 & 62
G.7. 191-33 1-4

Later References

G.7. 1-32 (1-2)

1933-34
(G.7.)

File No. 175-33

Serial Nos. 5, 6, 7, 8, 9
10, 11, 12, 13, 14

Preserved

GENERAL AND REVENUE SECRETARIAT.

Serial Nos. 10

Part B for March 34

SUBJECT.

Proposals of the Board of the Directors of the Sri Krishnarajendra Mills Ltd: Mysore in regard to the future working of the mills.

Re 6286-8 Dy 31.3.34 To Gen: Manager S. K. Mills
To Comptroller
To Director of Ind: & Com:

Passes orders as the above.

31/
4.7.34

General and Revenue Secretariat

7/- File No. 195 of 193 3

Serial No. 5

No. 1369 S 17.11.33 [illegible]

Reserve Flats
L.

1 Please see notes & orders on the file kept up. Under the existing orders, the circulation in Magazine has been removed till end of December.

2 The Mills now want us a further extension of the Concession till end of March 1934.

Please see Dr. Lieb's remarks in the margin of the second page of P.N.A.

3 The situation seems to baffle all anticipations and how far the extension of the Concession, about every 2 or 3 months, will help the Mills or to what is in the nature of a problem.

4 The Mills now ask the question of Postponement of the payment of interest on the Block working loans.

5 For the note at F, this Concession

NOTE—Contn. Sheet.

2 ✓ S. K. Mills 1997 /C

G.S. File No: 195 of 193 3 | General and Revenue Secretariat

was not contemplated Possibly, it may not be allowed now too.

6 Perhaps, the Concession asked for may be allowed with the observation that the interest should be paid on the due date.

Subt for orders,

21/XII) JE Secy) 22/12/33.

8 What is the amount of Cash outgoing Every month in the present State of affairs? If this shortage Continue how does he expect the position to be better in March?

22/12

23/12/33.

9 Draft put up.

to Asone 23/12/33

23/XII

TYPING SECTION 26 DEC. 1933 GEN'L. & REV. SEC.

No 3062 dt 26.12.33 to the General Manager S. K. Mills Calls for the information about the monthly annual Cash-outgoing etc

No 14006 dt 28.12.33 from the General Manager, S. K. Mills furnishes the information Called for.

Ref. 13991 dt 27.12.33 from the Gen: Manager, S. K. mills submitting certain returns pertaining to the accounts for the month of Nov 1933.

Temporary ~~Deletion~~ Suspension of the Stipulation re Security Margins in the Mills.

3

General and Revenue Secretariat — G 2 — File No. 195 of 193 3 — [App. F. III—2

Serial No.

1) The monthly Cash outgoing is stated to be Rs. 1,45,000.
They expect the margin between Cotton & Yarn to get widened by March 34. Given the same conditions, the net loss during 1934 is estimated to stand at Rs. 2,28,400, after of Course providing for interest on loans & depreciation.

2) According to the Accounts received for Nov 33, the P & L Account shows a net loss of Rs. 2,79,022-0-0 to end of Nov. 33 staff.

Q about Sale, output, Stocks etc

3) The Explanatory note deals with the Mills' anticipations. The Budget ~~provides~~ is stated to include provision for Capital Expre for putting up an improved blow room equipment. Pont, the question of such Capital outlay is separately under Consideration and the proposal may be looked into when it comes up to Govt.

~~Assuming the G~~

4) The Mills expect the value of securities to fall short of the drawings by about Rs. 60000/- at the end of Dec 33.

NOTE—Contn. Sheet.

WD 0434—GPB—15,000—12-10-32

4 Temporary suspension of the Stipulated Security Margin in the G.L. Mills.

File No. 207/H of 193 . | General and Revenue Secretariat

Serial No.

15 This is only so according to Mr Mills' mode of calculating the security margin (ie on the basis of his drawings every month). The depletion of security available will be more marked if the margin is calculated on the value of securities.

16 Subd for orders with ref to para 9 of no 15.

17 The original request of Mr Mills - suspension of the margin condition to end of March 34 - is put up for orders with these information & particulars.

Subd to H: Secy

4/1 WJ 4/1

18 Permission now asked for to waive the Stipulation regarding the maintenance of margin & to require no margin at all & be satisfied with the security of whatever liquid assets that they may have which will go on diminishing with the additional loss incurred each month.

19 The Japanese Agreement is now published. This does not seem to give any [illegible] aid to Yarns. The GL Manager may be asked to state if the conditions have changed in any way by the Agreement & if he has any [illegible] modifications to suggest in his letter in the changed conditions.

18th Inst 20 Yrs. unsatt by 18th Mr 4.1.34 15/1/34.

OFFICE OF THE FIRST MEMBER OF COUNC. 15 JAN. 1934 No. S396

2077/H

5

General and Revenue Secretariat — File No. 195 of 1933. [App. F. III—2

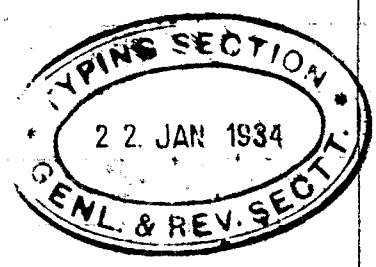
Serial No.

21 Draft put up.

19/1

22 For approval.

H Seey) 19-1-34.



23 19-1-34

24 Issue 22/1/34.

H 4663 23/1/34

To the General manager, S. K. Mills, enquire what changes he proposes in his request in the light of the Japanese Agreement.

Rus A.W. 26/1

No 1258 31-1-34 From the G-l. Manager, S. K. Mills stating in reply that they expect some sort of protection to their industry when the Govt of India frame new on the Tariff Board report after the end of March 1934 & requesting sanction to the suspension of the stipulation at least till that time.

25. Reference Para 20 of 1066.

26 Point for order. Suspension till end of March 1934 of the stipulation regarding maintenance of specified.

27. The Gl. Manager also refers to the Sub-Committee recently appointed

NOTE—Contn. Sheet.

WD 0434—GPB—15,000—12-10-33

6 Temporary Suspension of the Stipulation re Security margin in the S.U. Mills.

C.7 File No. 195 of 1932/33 2077/H 2659/H

General and Revenue Secretariat

Serial No. Q.

29. Please also see D 2076 & orders at Q in the linked file.

Subsequently

29. Subd to Fc: Secy

6/2 NW 6/2

30. The required Exemption may be given till the end of March but it may be stated that they should by D see that the Value of the Securities does not go below the Value amount of the Advance drawn

31. 1st (Mr) 6/2/34

32. Papers 7/2/34

33. Drawn

34. Jm 7-2-34

35. Draft put up for approval of the Fc: Secy

36. 14/2

14/2 NW 14/2

37. Done 14/2

Fc 4855-7 of 7/2/1934

To the Genl. Manager, Silk Mills, Compli. Dir. of D re suspension of margin Stipulation till end of March 34 with observation that the Mills should take care that the Value of securities should not fall short of the amount of advance drawn from the Treasury.

OFFICE OF THE ... 1 FEB. 1934 No. 6093

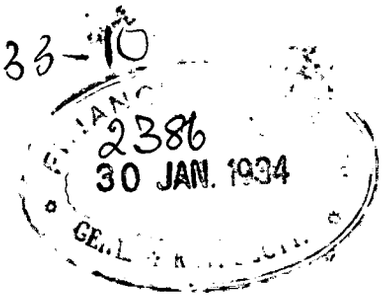
7 FEB 1934 No. 5094

TYPING SEC. 14 FEB 1934

G.7. 1935-33-10

REPLY

(To be written on this margin.)



OFFICE OF THE
FIRST MEMBER OF COUNCIL.

NOTE.

Dated...23rd...January.....*19*34.

38. When I met Mr. M.S. Ramachandra Rao, General Manager, K.R.Mills today, he told me that the results of last year's working was a loss of Rs.3 lakhs, of which Rs.90,000 were the losses in actual working and Rs.2,10,000 were on account of interest and depreciation. The Indo-Japanese agreement which, it was hoped, would effect some improvement in the position seems to have made matters worse as the price of cotton has gone up while the price of yarn has not improved. It is a question why we should continue working the mills at all. I should like to know whether the Board of Directors is considering the question.

Financial Secretary,
with compliments.

39 I had a talk with the 1st Cr about this subject before going to Mysore for the Board meeting on the 28th instant. It appears the question of protection for yarn and silk is before the Tariff Board & the Policy of the Govt of India will be known before the next Budget ie before March or April. ~~In case~~ A Sub Committee of the Board has been appointed to examine ~~and~~ the question and report what action should be taken in case

8.

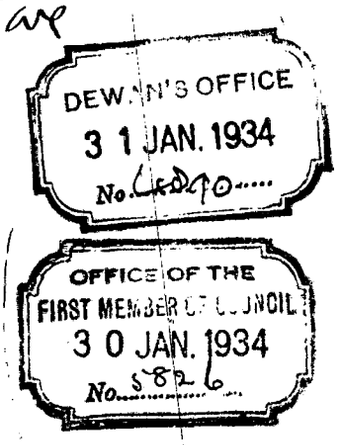
2386
/32

the Expected help from the Govt of India does not materialise. By the time the decision of the Govt of India is known, we would also have proposals ready for consideration as to what are

Shenell Co.
40 (82 dr)

M 29.1.34.

30/1/34.



41. This might be submitted
Dewan for perusal.

by
30/1/34

42. Dewan)

43. M
31/1.

31.1.34.

44. M
31-1-34
M

for 1/2 months
Secs after file
Reports 2/2

G.7. 195-33-3

SRI·KRISHNARAJENDRA·MILLS·LTD·

FINANCIAL BRANCH
31 MAR 1934
3272
GEN. & REV. SECTT.

TELEGRAMS "SRIKMILLS" MYSORE TRADE MARK TELEPHONE No 266.

SPINNERS OF HIGH CLASS YARNS
MAKERS OF SUPERFINE HOSIERY IN COMBED COTTON & PURE SILK

P. O. BOX 101
MYSORE

REF No.....

27th Mar. 1934

45.

The Financial Secretary
to the Government of Mysore,
Bangalore.

Dear Sir,

We beg to state that in view of the heavy losses incurred by the Mills during the calendar year 1933 the position was reviewed by the Directors at their Meeting held on 28th January 1934 and a Sub-Committee was appointed to examine and report on the question of the future lines of work of the Mills.

The Sub-Committee accordingly met on 14th March 34 and considered the subject in detail and drew up a report making certain proposals (vide copy of their proceedings attached). This report was considered by the Board at their Meeting held on 24th March 1934 when the Resolution as appended was recorded.

We shall be grateful if you will kindly place this matter before Government and communicate to us their sanction to the

to the proposals of the Board in regard to the future working of the concern and the relaxation of present condition regarding maintenance of margin in the value of securities till 31st July 1934.

As Government have in their order No.Fl. 4855. G. 195-33-12 dated 16th February 1934 waived the condition regarding margin only upto end of March 1934, we would request early orders to enable us to operate on the personal deposit account from and after 1st April 1934 irrespective of the value of the securities and the preparation of margin statements at each drawing.

Yours faithfully,

M S Venkatachandra

General Manager.

S

Resolution No.2 of the 75th Meeting of the Board of Directors of the Sri Krishnarajendra Mills, Ltd., Mysore, held on Saturday the 24th March 1934 at 5 p.m.

-:-

2. Report of the Sub Committee of the Board of Directors constituted as per Resolution No.4 held at their last Meeting.

After discussing in detail the report of the Sub-Committee and in the light of the reading of the text of Clause 4 of the Deed of Mortgage of the Fixed Assets of the Company to the Government dated 9th December 1931, and construction that no fresh sanction of Government is necessary to incur expenditure required for maintaining the Fixed Assets in an efficient working condition, and as no specific requisition to Government is necessary at present in regard to interest charges, Resolved that:-

1) The Board consider that it would not be in the interest of Government nor of the Mills to close down so long as there are no losses on working and especially as now there seems visible signs of improvement in the working results of the concern;

2) That the forecast of working profits of Rs.62,000/- for the current year, inclusive of the probable savings in working expenses to the extent of Rs.10,000/- per year, may be considered as

Proceedings of the Meeting held at Lyscre on the 14th March 1934, of the Sub-Committee of the Board of Directors constituted as per Resolution No.4 passed at their Meeting held on 25th January 1934 to examine and report on the question of the future lines of work of the Sri Krishnarajendra Mills, Ltd., Lyscre.

PRESENT:-

1. Rajasabhabhushana Diwan Bahadur C. Srikantesvara Aiyar, Esq., B.A., B.L. (CHAIRMAN).

2. A.V. Ramanathan, Esq., B.A., Director of Industries & Commerce in Lyscre.

3. P. Subbarcya Chetty, Esq.

4. A. Krishna Rao, Esq., B.A., B.L.

5. M.S. Ramchendra Rao, Esq., B.A. (General Manager).

In opening the proceedings the Chairman explained that the question of the future of the Mills had assumed a grave aspect in view of the facts that the results of working for the year 1933 has been a loss of Rs.2,69,000 and prices of yarn continue to be depressed and uncertain, and the market for hosiery goods is yet unsettled. He said that the prospects were not bright as the Government of India had refused to grant any further protection to the cotton yarn industry and as the protection granted to the hosiery industry was inadequate to meet the fierce competition of Japanese goods. The question for immediate and careful consideration was whether the Mills should carry on, and if so on what lines, and what arrangements were necessary to

Meet

meet the obligations as regards payment of interest on the block loan and working capital advanced by Government and the provision of depreciation charges.

The Chairman next explained that a forecast had been made of the probable results of the working of the Mills assuming that the present level of prices of cotton and yarn would continue throughout the year. On such basis, the results for the year would be a working profit of roughly Rs.45,000 in the case of the Spinning Department, without providing for interest and depreciation charges. As to be on the safe side, however, it was proposed to allow the working profits at only Rs.30,000/-. The trading results for January, 1954 have shown a working profit of Rs.3,700/-. These results, although a period of months in which there were recurring working losses, might be taken as an indication that the estimated working profit of Rs.30,000 for the year could be realised.

In regard to the position of the Hosiery department, the Chairman explained that in view of large quantities of imported stocks already in the country, it would take some time for the new protective duties to come into play and that although when the duties became effective it would be possible to realise better prices for the accumulated stocks as well as the new productions, it was that on a conservative estimate, the department might be expected to yield a working profit of Rs.22,000 for the year (without providing for interest and depreciation charges) in the event of the increased rates of customs duty already in force, or at least Rs.15,000/- should such duties be lowered as proposed in the Cotton Textile

(Protection)

(Protection) Bill now under the consideration of the Indian Legislature.

The Chairman stated further that at a time such as this, there was imperative need for exploring all avenues for securing savings in manufacturing and overhead expenses. He said that this question had been carefully gone into and that it would be possible to effect savings to the extent of Rs.10,000 a year on such charges.

The Chairman said that the Mills might thus be expected to earn a profit of Rs.(2,40 during the current year. Though this will not be sufficient to cover the entire interest charges of Rs.1,32,000 and depreciation charges of Rs.(0,000 or Rs.2,21,00) in all, it will at least be enough for effecting repairs, renewals and replacements to the machinery and buildings, leaving a surplus, however small, for interest charges.

The Committee then discussed the question from all points of view, and resolved as follows:-

1) That it would not be in the interests of the Government nor of the Mills to close down, especially as there were visible signs of improvement in the working results of the concern;

2) That it is desirable to keep the Mills going at least long as there are no losses on working;

3) That the estimate of working profits of Rs.(2,00

for

(Protection) Bill now under the consideration of the Indian Legislature.

The Chairman stated further that at a time such as this, there was imperative need for exploring all avenues for securing savings in manufacturing and overhead expenses. He said that this question had been carefully gone into and that it would be possible to effect savings to the extent of Rs.1,[illegible] a year on such charges.

The Chairman said that the Mills might thus be expected to earn a profit of Rs.(2,00) during the current year. Even this will not be sufficient to cover the entire interest charges of Rs.1,92,(00 and depreciation charges of Rs.(0,000 or Rs.2,21,000 in all, it will at least be enough for effecting repairs, renewals and replacements to the machinery and buildings, leaving a surplus, however small, for interest charges.

The Committee then discussed the question from all points of view, and resolved as follows:-

1) That it would not be in the interests of the Government nor of the Mills to close down, especially as there were visible signs of improvement in the working results of the concern;

2) That it is desirable to keep the Mills going at least so long as there are no losses on working;

3) That the estimate of working profits of Rs.(2,((for

for the year, inclusive of the probable savings in expenditure to the extent of Rs.10,000 per year, may be considered as a safe estimate, until and unless a further worsening of the position due to unforeseen causes sets in;

4) That a representation may be made to the Government:

(a) to suspend the conditions as regards quarterly payment of interest on working capital and half yearly payment of interest on the fixed loan;

(b) to authorise the Mills, in the meantime, to utilise profits earned on working for maintaining the fixed assets in an efficient working condition, all expenditure on that account, however, being incurred within limits previously approved by the Government;

(c) to appropriate towards interest the profits ascertained at the end of each year, after deducting expenditure incurred under item (b) and such further amount as is set apart for depreciation under orders of the Government;

(d) to permit the carrying forward of unpaid interest until it is repaid by profits on working; and

(e) to modify suitably sub-clause (a), (c) and (f) of Clause 3 and clause 5 of the mortgage deed on the fixed assets of the Company dated 9th December 1971;

and 5) That Government be further approached with a request that until such time as the concern can make sufficient profits to enable it to maintain the margin required by clause 12 of the cash credit agreement dated 9th December 1971, the condition regarding the maintenance of such margin may be waived and the Mills be permitted to operate on the personal deposit account without production of such margin statements.

The Chairman next explained that the question of

acquis-

adding looms was under consideration for sometime past with a view to securing the increased return possible by making cloth instead of entirely yarn. He said that a project had been under consideration which showed that by installing about 300 looms and working them 20 hours about one-half of the year's yarn production could be consumed and an extra profit secured, after meeting interest and depreciation charges on the new fixed and working capital. The estimate contemplated also that the Spinning Department could work 20 hours instead of 17 hours and secure a further profit of Rs.10,000/-. The Mills would then be able to pay almost the entire interest due to Government at a reduced rate. But the project was still under examination and would be brought up later.

Sd/- C. Srikantesvara Aiyar,
Chairman.

"COPY"

27.3.44

GN

3272

General and Revenue Secretariat — File No. 195-H of 1933.

Serial No.

47-3) The draft put up does not cover all the points dealt with in the ~~note~~ resolution.

(2) Are we prepared to accept—since it seems the mills working, or may even that is not so as working, that is if there is nothing left over to cover interest charges & depreciation? Are we likely to accept the suggestion that the working of the agreement re: payment of interest is not the proper effect of?

KW
29/3/34

48-5) I have ~~instructed~~ drafted a separate letter on the lines indicated by the Fr Asst introducing the words 'among others' in the preamble of the draft G.O. They may be both attd to
(P. Asst) 29/3

49-6) I have ~~discussed~~ perused the records & find the separate letter is not necessary —

50-7) In view of the urgency, this case may please be submitted to the Dewan after his return from Delhi

KW
30/3/34

51-8) Done

NOTE—Contn. Sheet

TYPING SECTION
31 MAR. 1934
GENL & REV. SECTT.

WD 02553—50,000—GP[illegible] 8-7 30

31.3.34.

Fl 6266 — 31/3/34

52 Dewan) For formal

4/4

31/3.

SS
2/4/34.

DEWAN'S OFFICE
4 APR. 1934
No.

53. MS
3-4-34

DEWAN'S OFFICE
3 APR. 1934
No. 6228

54 The I member had mentioned that it might be appropriate to submit this case and the decision taken by His Highness for confirmation with a submission note. Subject of an order.

DEWAN'S OFFICE
4 APR. 1934
No. 6260

55 Dewan)

4/4.

SS
4.4.34.

56. Ajp. Certain.

57. MS
4-4-34
Dewan

SS 5/4/34

58 Draft final submission note subd.
12/4/34

59 Fe Secy) SS 12/4/34.

60 Dewan thro Secy (Secy) 14/4

F.N. signed by Member.

62. MS 16/4

63 Dewan)

18/4.

MS
20/4

SS
18/4/34

OFFICE OF THE
FIRST MEMBER
16 APR. 1934
No. 8163

DEWAN'S OFFICE
20 APR. 1934
No.

Final Note by the First Member of Council.

~~Subject:~~

The accompanying papers relate to the working of the Sri Krishnarajendra Mills.

One of the conditions of the grant of a working advance of Rs.8 lakhs to the Sri Krishnarajendra Mills is that there should be a margin of 25 per cent in the valuation of the floating assets offered by the Mills as security for it. This condition regarding margin had to be relaxed temporarily from time to time in the marginally noted Government Orders as on account of the unsatisfactory results of working for one reason or other it was found not possible to keep up the prescribed margin and it was expected that better conditions were in sight in the future. In the last Government Order the period was extended to the end of March 1934. The Mills had also promised to examine the situation and submit proposals regarding future action to be taken.

G.O.No.Fl.7852-4 dated 2nd April 1932.
G.O.No.Fl.733-5/G.F.13-32-8, dated the 5th August 1932.
G.O.No.Fl.4495-7/G.F.13-32-34 dated the 14th February 1933.
G.O.No.Fl.6141-3/G.F.13-32-49 dated the 19th May 1933.
G.O.No.Fl.1304-6/G.F.13-32-62 dated the 2nd September 1933.
G.O.No.Fl.4855-7/G.F.195-33-2 dated the 16th February 1934.

The result of the working of the Mills for the year 193 was a loss of Rs.2.89 lakhs after providing about Rs.89,000 fo depreciation. The Indo-Japanese agreement which it was hoped would effect some improvement in the position of Cotton Mills has not resulted in any appreciable benefit. The Government o India have refused to grant any further protection to the Cotton yarn industry and the protection granted to the hosiery industry is considered inadequate to meet the fierce competition of Japanese goods.

The question of the future working of the Mills when

there was no prospect of their earning a profit sufficient to cover interest and depreciation was discussed by a Sub Committee appointed by the Board of Directors of the Mills and the report of the Sub Committee was considered by the Board of Directors at their meeting held on the 24th March 1934 and their resolutions are as follows:-

(1) "The Board consider that it would not be in the interest of Government nor of the Mills to close down so long as there are no losses on working and especially as now there seem visible signs of improvement in the working results of the Concern;

(2) That the forecast of working profits of Rs.62,000 for the current year, inclusive of the probable savings in working expenses to the extent of Rs.10,000 per year, may be considered as a safe estimate until and unless a further worsening of the position due to unforeseen causes sets in;

(3) That the Mills do therefore continue to be worked on the present lines till 31st July 1934 and that in the meantime all possibilities of securing better working results, including those by retrenchments, be further explored and the position be reviewed at every meeting of the Board;

(4) That Government be approached with a request that as it is not likely that the Concern will make immediately sufficient profits to enable it to maintain the margin required by clause 12 of the Cash Credit Agreement dated the 9th December 1931, the condition regarding the maintenance of such margin may be released for the present till 31st July 1934 and the Mills may be permitted to operate on the personal deposit account to the full extent, irrespective of the value of securities and without the preparation of the margin statement at the time of each drawing; and

(5) That the question of installing looms be worked out and brought up at the next meeting of the Board".

The General Manager, while forwarding a copy of the said Resolution, solicited sanction of Government to the proposals of the Board in regard to the future working of the Concern and the relaxation of the present condition regarding the maintenance of margin in the value of securities till 31st July 1934. He has been informed in Government Order No.Fl.6286-8/G.F.195-33-14 dated the 31st March 1934 that Government will allow the Mills to continue to work on the present lines till 31st July 1934 and to relax till the same date the condition regarding the maintenance of the margin in the value of securities referred to in

in Resolution (4) and that this should not be understood to imply that the Government have accepted the view of the Board that the Mills may continue to work so long as there are no losses in working.

The position is not very encouraging and if the Mills cannot manage to pay their way, i.e., earn enough to cover the working expenses, interest and depreciation, it is only a question of time when they will be forced to ask for a further advance from Government to continue working or stop working. At present it is proposed to wait till July 1934 and see what will happen and if the conditions will improve.

I beg to submit the file of papers for the gracious information of His Highness.

MEMBER OF COUNCIL.

Bangalore,
18th April 1934.

Submitted to His Highness.

I submit herewith a Final Note by the First *Member of Council on the subject of* the working of the Sri Krishnarajendra Mills

for His Highness' gracious ~~*approval.*~~ information.

Mirza M. Ismail

Fernhill,)
20th April 1934.) *Dewan.*

Record of Cases submitted for the Orders of His Highness the Maharaja.

Subject.

Working of the Sri Krishnarajendra Mills.

No. 546

C Secy
Pm
24-4-34

RR
27/4.

Order.

~~KRW~~
23/4/34

3272 i/R

95

545.

General and Revenue Secretariat

G.2-185-33

Working of the Sri Krishnarajendra Mills.

(*)

31. All urgent or confidential files returned with His Highness' orders may in the absence of instructions or indications to the contrary, be ordinarily circulated to the Members of Council for perusal after the issue of orders.

33. The Secretaries concerned should see that orders in the cases referred to above are issued at once and that the files are returned immediately after to the Chief Secretary for circulation to the Members.

34. In all other cases, the files will first be circulated to the Members of Council at Head-quarters and then sent to the Secretariat concerned for the issue of orders.

Circulated to Members of Council for perusal of His Highness' orders before/after issue of orders. (*Vide Rules 31, 33 and 34 of the Subsidiary Rules for the conduct of business of Council in the Manual of Council Rules and Procedure.)

Rangadu

Chief Secretary to Government.

Through the Secretary to Government,

Jail. Department.

8535/1/S

FIRST MEMBER OF COUNCIL.

4/5/34

SECOND MEMBER OF COUNCIL.

2464/30/4

30/4/34

Fin: Secy. with Comps.

NOTE.—Contn. sheet.

4/5/34

Ab F.7 1933.33.5

TELEGRAMS:
SRIKMILS," MYSORE.
TELEPHONE:
MYSORE 266.

Copied.

CODES
"A.B.C. 5TH & 6TH EDITIONS"
"BENTLEYS" & "PRIVATE"

SRI KRISHNARAJENDRA MILLS, LTD.,

(APPROVED BY THE CONGRESS)

POST BOX No. 101,
MYSORE.

1997

SPINNERS OF
SUPERIOR YARNS FROM 6s TO 60s
DOUBLED, COLOURED
& SPECIAL HOSIERY YARNS.

MAKERS OF
SUPERFINE HOSIERY
IN COMBED COTTON
& PURE MYSORE SILK.

REF. NO. 13695

19th Dec. 1933

The Financial Secretary
to the Government of Mysore,
Bangalore.

FINANCE
20 DEC. 1933
No.

Urgent

Dear Sir,

J

With reference to Government Order No.Fl.2676-8 G.F.195-33-2 dated 10th November 1933 waiving the stipulation about the margin of securities till end of December 1933, we beg to state that trade conditions are still far from satisfactory. About a fortnight ago some slight improvement in yarn prices was reported but this proved to be of a very temporary character, as since then prices have again been showing a downward tendency. The ~~piece goods~~ yarn market continues to be dull and the off-take even at the exceedingly low level of prices is disappointing.

In the circumstances we do not anticipate that until some time more -at least till the Indo-Japanese conferences have reached a satisfactory issue- it will be possible for the Mills to show a sufficient margin between cotton

cotton and yarn to enable them to meet their working expenses, including interest and depreciation.

We are thus reluctantly compelled to approach Government with the request that they may be pleased to extend the concession regarding waiving of the stipulation about the maintenance of the margin till the end of March 1934, by which time the yarn market may be expected to have improved somewhat.

How is this going to solve matters?

We shall thank you to kindly place this representation before Government and obtain and communicate their orders.

Yours faithfully,

General Manager.

S.

cation and yarn to enable them to meet their working expenses, including interest and depreciation.

We are thus reluctantly compelled to approach Government with the request that they may be pleased to extend the concession pertaining to giving of the stipulation about the maintenance of the mavia till the end of June 1924 by which time the yarn market may be expected to have improved somewhat.

We shall thank you to kindly place this representation before Government and obtain and communicate their decision.

Yours faithfully,

27

GOVERNMENT OF HIS HIGHNESS THE MAHARAJA OF MYSORE

General and Revenue Secretariat

No. Fl. 3462/Q-7.175-33-6 Dated, Bangalore, 26th Dec. 1933

From The *Financial Secretary to the Government of His Highness, the Maharaja of Mysore.*

To The General Manager,
Sri Krishnarajendra Mills, Ltd., Mysore.

Sir,

With reference to your letter No. 13695 of the 19th inst. requesting the suspension till the end of March of th stipulation regarding the margin of securities, I am directed to enquire what is the amount of cash outgoing every month under the present state of affairs and how an ~~improvement~~ improvement is anticipated in March 1934, should the present position continue.

I have the honor to be,
Sir,
Your most obedient servant,

M Shamanna

For Financial Secretary to Government

M

C.R.G.2

Appendix F G—1]

22

SUBJECT .....

.....

.....

Diary No. of letter replied to .....

General and Revenue Secretariat

( )

the *193*

Date of issue 26.12.33.

Signed by for S.

List of enclosures .....

Copied by .....

Examined by .....

Section G.7.

File No. 195-33

Serial No. 6.

No. H 3462/

To

The General Manager

S.A. Mills Ltd

Mysore

Sir,

With reference to your letter No 13695 of the 19th inst. requesting the suspension till the end of March of the stipulation regarding the margin of securities, I am directed to enquire what is the amount of Cash outgoing every month under the present state of affairs and how an improvement is anticipated in March 34, should the

WD 0677—GPB—15,000—3-11-33

S.K.

2075

G. 195-33-7

30

TELEGRAMS:
"SRIKMILS," MYSORE.

TELEPHONE:
MYSORE 266.

CODES
"A.B.C. 5TH & 6TH EDITIONS"
"BENTLEYS" & "PRIVATE"

From ... 2 JAN ...
No. ...

SRI KRISHNARAJENDRA MILLS, LTD.,

(APPROVED BY THE CONGRESS)

POST BOX No. 101,
MYSORE.

SPINNERS OF
SUPERIOR YARNS FROM 6s TO 60s
DOUBLED, COLOURED
& SPECIAL HOSIERY YARNS.

MAKERS OF
SUPERFINE HOSIERY
IN COMBED COTTON
& PURE MYSORE SILK.

Copied.

REF. NO. 14065-E.4

28th Dec. 1933

The Financial Secretary
to the Government of Mysore,
Bangalore.

Dear Sir,

With reference to your letter No.3462/G.F.195-33-6 dated 26th December 1933 enquiring about the amount of cash outgoing every month under the present stage of affairs, and how an improvement is anticipated in March 1934 should the present position continue, we beg to state as follows :-

The monthly cash outgoings will on an average be as follows:-

Cotton purchases		Rs.1,00,000
Working Expenses -		
Wages	Rs.16,700	
Stores	6,400	
Power	5,700	
Coal	300	
Salaries	2,400	
Insurance	600	
Miscellaneous	1,900	
Interest due to Govt. on Block & Produce loans &c.	11,000	
Total		45,000
		Rs.1,45,000.

We have thus to provide for a cash outgoing of Rs.1,45,000 every month.

Our request for waiving the margin between the drawings and the securities till the end of March 1934 was based on the expectation that the yarn market would improve by that time, affording a wider margin between cotton and yarn. If, however, market conditions continue as at present, the value of the Floating Assets held as security will of course progressively decline, after providing for loss in working during the current year, and having regard to the low level of present day prices.

In this connection we beg to enclose a forecast of the working results for the year 1934 as compared with the actuals of 1932 and the anticipated actuals for the current year. Statements showing the quantity and value of cotton consumption and yarn output, working expenses, and the position of the Floating Assets from month to month are also enclosed. A brief note explaining the salient features of the position and the basis on which the figures are based also accompany the statements.

It will be seen therefrom that at the end of this month the value of securities is expected to be short of the drawings of Rs.8 lakhs by about Rs.10,000. During the year 1934,

we anticipate

to anticipate that if the present position continues there will be a loss of Rs.1,7[illegible]95 excluding the provision of Rs.[illegible]475 for depreciation, resulting in a nett loss of Rs.2,[illegible]400. This position has only been assumed as a measure of caution for the purpose of preparing the forecast. But this may not be taken to mean that there will be no improvement at all in the demand for and prices of our products. When that occurs, as we hope it may in the course of next year, both the revenue and the cash position will be to the extent of such improvement be strengthened, and enable us to show progressive increase in the margin between the drawings and accruals.

Yours faithfully,

[illegible]

General Manager.

2076

SRI KRISHNARAJENDRA MILLS, LTD.,
Mysore.

Notes explaining the Revenue Budget - 1934

FINANCIAL SECTION
2 JAN
No.

The main features of the Revenue Budget are as follows:-

Y A R N.

COTTON:- Rs.11,45,400. This represents the mixing cost of 11,232 bales of cotton for the various mixtures, at rates calculated on the present price of cotton, required to give us a production of 11,904 bales of yarn as per details furnished in appendix I.

WORKING EXPENSES:- Rs.5,56,000. The working expenses are provided on the basis of actuals of the current year and include a provision of Rs.79,900 for depreciation. The allocation of the expenses under the more important heads of expenditure are shown in appendix I.

SALES:- Rs.16,48,600. We expect an improvement in the yarn market and hope to sell not only the year's output, but also to reduce a substantial portion of the opening stocks from Rs.3,42,600 to Rs.2,07,000. The realisations are based on an average rate of Rs.4-2-0, less 2 annas for freight and 2½ % commission for 20s count, which is about the price now ruling in the market. On this basis, the result will be a net loss of Rs.1,65,000 after providing Rs.1,12,200 for interest and Rs.79,990 for depreciation. In other words, if there was no burden on account of interest and depreciation, we anticipate profit on working to the extent of Rs.27,100.

H O S I E R Y.

WORKING EXPENSES:- Due to accumulation of Hosiery stocks and the difficulty experienced so far in selling the output, we have as a temporary measure to restrict production in this department.

department. The budget has been prepared on the basis of a reduced output of 1,000 dozen per month as against a normal production of about 3,000 dozen.

SALES:- Rs.1,26,000. We expect to sell a larger quantity this year and we hope to realise our anticipations as a result of the further protection to be granted to Hosiery by the Government of India under the new Tafiff Bill. It is proposed to reduce stocks from Rs.1,82,000 to Rs.88,000.

RESULTS:- The net result owing chiefly to reduction in output will be a loss of Rs.63,400 including interest and depreciation of Rs.19,800 and Rs.9,575 respectively. The outlook of the Hosiery trade just at present is brighter than is anticipated in the budget and it may be possible to avoid a considerable portion of the loss.

STATEMENT OF FLOATING ASSETS:-

A statement showing the floating assets as they would stand from month to month is appended.

CAPITAL EXPENDITURE:- There is urgent necessity for providing improved Blow Room equipment and this subject is now under active consideration. Provision for expenditure of a capital nature mainly for this purpose is provided and spread over a period of six months so as not to affect the cash position.

* - -

29.1.35.

General Manager.

S

SRI KRISHNARAJENDRA MILLS, LTD.

Budget Estimate - 1934.

	1932 (actuals)			19 (actuals &	
	Yarn	Hosiery	Total	Yarn	Hosier
Opening Balance	Rs.1,10,612	65,597	1,76,209	4,05,659	1,33,5
Raw Materials (cotton)	9,68,323		9,68,323	10,87,036	
Working Expenses	5,32,859	78,993	6,11,852	5,55,298	86,8
Misc. Expenses					
Total	16,11,794	1,44,590	17,56,384	20,47,993	2,20,3
Yarn issued to Hosiery	- 63,138	+ 63,138	..	- 59,430	+ 59,4
Grand Total	15,48,656	2,07,728	17,56,384	19,88,563	2,79,7
S a l e s	10,88,390	1,29,990	12,18,380	13,60,976	73,5
Misc. Receipts					
Closing Balance	4,05,659	1,33,535	5,39,194	3,42,600	1,82,0
Total	14,94,049	2,63,525	17,57,574	17,03,576	2,55,5
$$ Difference	- 54,607	+ 55,797	+ 1,190	- 2,84,987	- 24,2
Grand Total	15,48,656	2,07,728	17,56,384	19,88,563	2,79,76

$$
Details for difference -

Interest	1,03,309	18,231	1,21,540	1,08,842	19,20
Depreciation	79,901	9,574	89,475	79,901	9,57
Working profit+ or loss	1,28,603	+ 83,602	+2,12,205	- 96,244	+ 4,53
TOTAL	- 54,607	+ 55,797	+ 1,190	- 2,84,987	- 24,24

MYSORE.

3 estimate) Total		1934 (estimate) Yarn	Hosiery	Total
5	5,39,194	3,42,600	1,82,000	5,24,600
	10,87,036	11,45,400		11,45,400
0	6,42,098	5,56,000	72,000	6,28,000
		1,000		1,000
5	22,68,328	20,45,000	2,54,000	22,99,000
		-23,400	+23,400	
5	22,68,328	20,21,600	2,77,400	22,99,000
5	14,34,498	16,48,600	1,26,000	17,74,600
		1,000		1,000
	5,24,600	2,07,000	88,000	2,95,000
	19,59,098	18,56,600	2,14,000	20,70,600
	3,09,230	- 1,65,000	- 63,400	2,28,400
	22,68,328	20,21,600	2,77,400	22,99,000

1,28,050	1,12,200	19,800	1,32,000
89,475	79,900	9,575	89,475
- 91,705	+ 27,100	- 34,025	- 6,925
-3,09,230	-1,65,000	- 63,400	-2,28,400

29.12.33

General Manager.

Appendix 1

SRI KRISHNARAJENDRA MILLS, LTD., MYSORE

I. Statement showing expected Cotton Consumption, and Yarn

Counts.	Quantity of Cotton bales required. (400 pounds)	Rate per candy (500 lbs)	Value	No. of yarn bales produced. (300 lbs)	Value at Rs.4/2/0 fo 20's.
Lowers	288	Rs.105/-	Rs.24,192	288	Rs.26,460
Middles	300	125/-	30,000	320	42,600
Highers	205	140/-	22,960	224	34,440
Fortys	143	160/-	18,304	160	30,000
Total	936		95,456 p.m.	992 p.m.	1,33,500
or	11232 bales per annum.		Rs.11,45,400 per annum	11904 bales per annum	16,02,000

II. Statement of detailed expenses 1934.

	Yarn	Hosiery	Total
Wages	Rs.1,80,000	Rs. 19,000	Rs. 1,99,000
Stores	61,500	15,000	76,500
Power	67,200	1,350	68,550
Salaries	25,800	2,575	28,375
Coal	2,400	1,800	4,200
Insurance	6,600	900	7,500
Miscellaneous	20,400	2,000	22,400
Interest	1,12,200	19,800	1,32,000
Total	4,76,100	62,425	5,38,525
Depreciation	79,900	9,575	89,475
Grand Total	5,56,000	72,000	6,28,000

III.

i) YARN.

Total

Add O

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ii) HOS

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Pro

Sale

Clos
Proc

utput. (1934)

Freight & Commission. (2as.+ 2½%)		
Rs.1,740		
2,260	Total yarn value per annum	Rs.16,02,000
1,700	Less freight & Commission	84,600
1,350	Yarn issued to Hosiery	23,400
7,050		
**	Net value of yarn	Rs.14,94,000
annum 84,600 per annum.	(output)	

Statement showing expected sales for 1934.

et value of output	Rs.14,94,000
ning Balance	3,42,600
	18,36,600
Balance (expected)	2,07,000
- Yarn	16,29,600
Waste	12,000
Absorbent Cotton	6,000
Carpets & Agriculture	1,000
Total Sales	Rs. 16,48,600

RY

ng Balance- 46,000 doz @ Rs.3/8		Rs.1,61,000
ss Stock & Silk & Woollen goods		21,000
otal		1,82,000
ution	12,000.doz.	
otal	58,000 "	
	36,00 " @ Rs.3/8	1,26,000
g Stock 22,000 doz @ Rs.3/8		77,000
s Stock & Silk & Woollen goods		11,000
	Total	Rs.2,14,000

12.

General Manager.

38

TELEGRAMS:
"SRIKMILS." MYSORE.

TELEPHONE:
MYSORE 266.

Copied. 1.2.1933.33.8

CODES
"A.B.C. 5TH & 6TH EDITIONS"
"BENTLEYS" & "PRIVATE"

SRI KRISHNARAJENDRA MILLS LTD.,

(APPROVED BY THE CONGRESS)

POST BOX No. 101,
MYSORE.

No.....

SPINNERS OF
SUPERIOR YARNS FROM 6s TO 60s
DOUBLED, COLOURED
& SPECIAL HOSIERY YARNS.

MAKERS OF
SUPERFINE HOSIERY
IN COMBED COTTON
& PURE MYSORE SILK.

2077
4 JAN. 34

REF. NO. 13991 E 4

27th Dec. 1933

The Financial Secretary
to the Government of Mysore,
Bangalore.

Dear Sir,

We submit herewith the undermentioned returns pertaining to the accounts for the month of November 1933:-

1. Detailed statement of floating assets held as security for the working capital loan as at the end of November 1933.

2. Plus & Minus Memo of Personal Deposit account of the General Manager, Sri Krishnarajendra Mills, Ltd., Mysore, with the Mysore District Treasury, for the month of November 1933.

3. Statement showing the drawings from and remittances to the Personal Deposit account during November 1933.

4. Revenue accounts for November 1933.

Yours faithfully,

General Manager.

GN

ENCLOSURE

SRI KRISHNARAJENDRA MILLS LTD.,

Statement of stocks of raw produce, goods in process and finished goods held as security for the working capital loan of rupees 8 lakhs advanced by the Government of Mysore, as on 30th November 1933.

Amount of loan allowed.	Rs.8,00,000
Balance undrawn -	nil
Amount drawn	Rs.8,00,000

Sl.No.	Particulars.	Bales.	Lbs.	Ozs.	Value.	Total.
1	COTTON in Godowns:-					
	bales & boras	1,554	549,905	0	1,33,268 8 6	
	in Mixing		55,916	0	14,151 15 10	
						1,47,420 8 4
2	YARN in bales	1,970	592,215	0	2,59,714 6 6	
	in process		62,907	11½	18,637 12 5	
	in bundles		3,889	0	1,492 6 5	
	in Hank room		49,516	0	18,616 15 3	
	in Hosiery		2,220	0	1,292 4 7	
						2,99,753 13 2
3	HOSIERY finished goods-Doz.	47,207½			1,69,526 3 10	
	goods in process		10,675	0	5,123 0 7	
	Bleached cloth		10,522	0	5,744 14 4	
	Dyed cloth		744	8	391 14 7	
	Unbleached cloth		6,921	12	4,520 1 11	
	Pure silk goods				3,998 14 9	
	Art silk goods				515 13 3	
	Art silk plaited goods				476 12 9	
	Woollen goods				550 0 0	
						1,90,847 12 0
4	WASTE - Hard, Soft and Miscellaneous-		135,902	0		9,822 14 11
5	STORES					40,257 14 10
6	Bills unrealised					- 73,744 1 6
7	Cash & Bank balances					1,03,118 5 8
						8,64,965 6 5
	Less liabilities on account of interest due to Government				43,608 3 0	
	Other liabilities-				8,385 11 5	
						51,993 14 5
						Rs.8,12,971 8 0

A.N. Chaluvaiya
Govt Auditor

M. Ramchandra
General Manager.

GN 27.12.33

WD

SRI KRISHNARAJENDRA MILLS LTD.

Plus & Minus Memo of Personal Deposit account of the General Manager, Sri Krishnarajendra Mills, Ltd., Mysore,.with the Mysore District Treasury, Mysore, for the month of Nov.1933

.-:-

Particulars.	Opening balance	Receipt during the month Date.	Amount.	Total	Payment during the month Date.	Amount.	Balance.
Opening balance on 1st Nov. 1933:-	Rs.70,000						
By cheque No.57/0238 on 29th Nov.1933					29th	Rs.70,000	
Closing balance on 30th Nov. 1933							Nil
Total -	Rs.70,000					Rs.70,000	

Verification of the closing balance with the Treasury balance.

-:-

Balance as per cash book Nil
Balance as per Pass book verified and certified by the Dt. Treasury Officer - Nil

A.N.Chalumaya

Govt. Auditor

M Ramchandra Rao

General Manager.

GN 27.12.33

41

SRI KRISHNARAJENDRA MILLS LTD..

Statement showing the details for the drawings from and remittances to the Personal Deposit account of the General Manager, Sri Krishnarajendra Mills, Ltd., Mysore, during the month of November 1933.

-:-

Amount of loan - Rs.8,00,000

Date.	Particulars.	Drawings.	Remittances.	Balance opening and closing.	Value of security	Remarks
1933						
Nov.1	Opening balance			Rs.70,000		
29	Cheque No.57/0238	70,000				
30	Closing balance			Nil	Rs.8,12,971 8 0	as per statement sent separately.

A N Chalwaye
Govt. Auditor

M Ramchandraiah
General Manager.

GN 27.12.33

SRI KRISHNARAJENDRA MILLS, LTD., MYSORE.

Revenue Accounts for the month of November 1933.

Materials Account.

	Rs.	as.p.		Rs.	as.p.
To Opening Balance:-			By Consumption during the month:-		
Cotton 1707 bales & boras	1,65,336	15 6	Cotton 1084 bales & boras	97,847	8 0
Other miscellaneous stores	44,476	13 11	Other miscellaneous stores	7,620	6 4
Coal	778	1 7	Coal	462	0 0
To Purchases:-			By Closing Balance:-		
Cotton 931 bales & boras	79,931	0 10	Cotton 1554 bales & boras	1,47,420	8 4
Other miscellaneous stores	3,401	7 3	Other miscellaneous stores	40,257	14 10
Coal			Coal	316	1 7
	2,93,924	7 1		2,93,924	7 1

Manufacturing Account.

To Opening works in process 1,42,188 lbs. ozs.	56,228	12 4	By Transfer to Trading Account:- Yarn bales made 943-- Hosiery doz. 2460 No. 11	1,30,988	11 1
To materials consumed during the month:-					
Cotton	97,847	8 0	By Closing works in process:-		
Other miscellaneous stores	7,620	6 4			
Wages	18,255	2 6	1,47,395 lbs 15½ ozs.	55,819	6 1
Other direct charges:- Power	6,394	4 0			
Coal	462	0 0			
	1,86,808	1 2		1,86,808	1 2

Trading Account.

To Opening stock:-				By Sales:-			
Yarn 2295 bales	Rs.	2,93,757	13 10	Yarn 1268 bales	Rs.	1,55,048	15 3
Hosiery				Hosiery			
45939 doz. 6 no.		1,72,167	5 1	1192 doz. no. 11		3,762	4 8
Waste 149464 lbs.		6,773	12 6	Waste lbs.		1,664	14 9
		4,72,698	15 5			1,60,476	2 8
To Transfer from Manufacturing Account:-				By Closing stock:-			
Yarn 943 bales				Yarn 1970 bales	Rs.	2,59,714	6 6
Hosiery 2460 doz. 11 no.		1,30,988	11 1	Hosiery			
				47,207 doz. 6 no.		1,75,067	12 7
				Waste 1,35,902 lbs.		9,822	14 11
						4,44,605	2 0
To Profit & Loss Account		1,393	10 2				
		6,05,081	4 8			6,05,081	4 8

Profit & Loss Account.

To Office Establishment		2,358	12 0	By Trading Account		1,393	10 2
" Directors' & Auditors' fees		100	0 0	" Interest & Rent received		522	2 8
" Interest due to Government		10,555	4 4	" Loss		22,873	5 5
" Sales expenses		532	10 11				
" Other charges		3,822	13 8				
" Depreciation:-							
Land							
Building							
Machinery		7,419	9 4				
"							
		24,789	2 3			24,789	2 3

S.

SRI KRISHNARAJENDRA MILLS, LTD., MYSORE.

Statement of Assets & Liabilities as on 30th November 1933.

Capital & Liabilities.

	Rs.	as.p.	Rs.	as.p.
Capital:-				
Authorised:- 80,000 shares of Rs.25/= each			20,00,000	0 0
Issued:- 79,683 shares of Rs.25/= each			19,92,075	0 0
Subscribed & Paid up:- 73,394 shares of Rs.25/= each			18,34,850	0 0
Add forfeited shares (amount paid up)			93,138	5 11
			19,27,988	5 11
Loans:-				
Secured on the fixed assets as per contra	16,00,000	0 0		
Secured on stocks and book debts - -	8,00,000	0 0		
			24,00,000	0 0
Reserve:-				
For Bad & Doubtful debts	2,08,010	3 11		
For Building Materials	15,000	0 0		
			2,23,010	3 11
Gratuity Fund:-			27,479	15 1

Property & Assets.

	Rs.	as.p.	Rs.	as.p.
Fixed Capital expenditure:-				
Land	53,095	15 5		
Building	7,37,979	13 9		
Machinery & Plant	14,97,642	9 0		
	22,88,718	6 2		
Less depreciation for the year				
Less depreciation for 11 months, Jan. to Nov.	81,615	6 8		
			22,07,102	15 6
Furniture & Equipment	5,430	7 11		
Library	584	7 2		
			6,014	15 1
Stores & Spare gear:-				
Building materials	17,825	15 19		
Stores	40,257	14 10		
Spare gear	9,600	14 1		
Coal, Printing & stationery	2,216	12 9		
			69,901	9 6
Looso Tools			3,260	1 6
Live Stock			542	0 0
Stocks:-				

Liabilities:-				Raw materials and cotton in process and manufactured goods - - -	6,47,845	0 5
Interest	43,608	3 0		Agricultural produce	1,442	6 9
For goods supplied	14,401	13 7		Book Debts including bad & doubtful	2,75,122	1 1
For other finance	70,963	15 9		Advances: Insurance charges prepaid &c.	11,928	0 11
			1,28,974 0 4	Cash & Other Balances	1,03,118	5 8
				Profit & Loss Account:-		
				Balance as per Balance Sheet as on 31st Dec.1932	11,02,152	15 11
				Add / Less Loss upto end of November 1933.	2,79,022	0 11
					13,81,175	0 10
Rs.			47,07,452 9 3	Rs.	47,07,452	9 3

S.

General Manager.

GOVERNMENT OF HIS HIGHNESS THE MAHARAJA OF MYSORE

FINANCIAL SECRETARIAT,

IMMEDIATE

Dated, Bangalore, 23rd January *1934*

No. Fc 4163

F.S. 195.33.9

44

From

The *Financial Secretary to the Government of His Highness the Maharaja of Mysore.*

To

The General Manager,
Sri Krishnarajendra Mills, Ltd.,
Mysore.

Sir,

With reference to the correspondence resting with your letter No.14065 dated 28th December 1933 in the matter of the suspension till the end of March of the stipulation regarding the margin of securities, I am directed to state that in your initial letter No.13695 dated 19th December 1933 you had referred to the Indo-Japanese Conferences.

Now that the Japanese Agreement is published, I am to enquire if the conditions have changed in any way as a result of the Agreement and if the Mills have any modifications to suggest in the light of the changes, in ~~the Mills~~ their request pending disposal with Government - Vide the two letters of the Mills referred to above.

The favour of an urgent reply is requested.

I have the honor to be,
Sir,
Your most obedient servant,

M. Shamanna

Financial Secretary to Government.

S.R.2

Appendix F G—1]

SUBJECT .....

.....

.....

Section 1:7
File No. 195:33
Serial No. 9 Immediate.

Diary No. of letter replied to .....

No. JE 4163

To The Gl. manager, S. A. Rlys & Hbr. Ltd.

General and Revenue Secretariat

( )

the *193* .

Date of issue 23/1/34

Signed by Mr Jus

List of enclosures.....

Copied by.....

Examined by.....

Sir,

With reference to the correspondence resting with your letter No. 14065 of 28th Dec 33 in the matter of the suspension till the end of March 1934 of stipulation regarding the margin of securities, I am directed to state that in your initial letter No 13695 of 19.12.33 you had referred to the Indo-Japanese Conferences.

Now that the Japanese Agreement is concluded,

I am to enquire if the Conditions have changed in any way as a result of the Account and if the Mills have any modifications to suggest in their present request. Mills
pending disposal with Govt - Under the Press Letter of the Mills up to above.

The favour of An urgent reply is requested

Dr

19.1.34

19.1.34. H E

19/1

G.7. 195-33-11

SRI·KRISHNARAJENDRA·MILLS·LTD

2459

TELEGRAMS "SRIKMILS" MYSORE TRADE MARK TELEPHONE No 266.

SPINNERS OF HIGH CLASS YARNS
MAKERS OF SUPERFINE HOSIERY IN COMBED COTTON & PURE SILK

P. O. BOX 101
MYSORE

FINANCIAL SECRETARY

Copied.

REF No. 12888.1.

31st Feb. 1934

The Financial Secretary
to the Government of H. H. the Maharaja of Mysore,
Bangalore.

Dear Sir,

With reference to your letter No.Fl.4163 G.F. 195-33-9 dated 23rd January 1934, we beg to state that the anxiously awaited relief as a result of the conclusion of the Indo-Japanese Agreement has not materialised, since only some - though not adequate - measure of relief has been promised to the Hosiery Industry, while no relief at all has been extended to the Yarn Industry. The Government of India have in reply to representations made by the leading Spinning Mills stated that the question of affording protection to the Yarn Industry would be considered when passing orders on the Textile Tariff Board Report. We have also approached the Government of India with a request that in view of the parlous condition

condition in which the Cotton Spinning Industry is placed today, immediate relief may be extended to it under the Safeguarding of Industries Act and without waiting until the Tariff Board Report is considered.

Unless, therefore, some measure of protection at least is granted to the Yarn Industry, it will become increasingly difficult for us in view of the continued depression in price levels which still keeps threatening many Mills, to maintain the stipulated margin as per Clause 13 of the Cash Credit Agreement.

We are however expecting that the Government of India will favourably consider the question of affording protection to the Yarn Industry before the end of March 34 and we would therefore request that at least till that time the stipulation about the maintenance of the margin may kindly be suspended.

Meanwhile, we are taking stock of the present position and examining the future lines of work of the Mills. The Board of Directors have at the Meeting held on 28th Jan.34 appointed a Sub Committee to go into this matter. A copy of the Board's Resolution is submitted herewith for perusal.

perusal.

Yours faithfully,

M Ramachandra

General Manager.

AC

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SRI KRISHNARAJENDRA MILLS, LTD.

51

Proceedings of the 74th Meeting of the Board of Directors of the Sri Krishnarajendra Mills, Ltd., Mysore, held on Sunday the 28th January 1934 at 2 p.m., at the Mill Premises.

- * -

Resolution No.4:-

"Forecast of operation results of the Mills, and of the resource position for the year 1934."

"The Board discussed the subject at length and in view of the position disclosed owing to the continued depression and uncertainties pending orders of Government of India on the Textile Tariff Board Report, Resolved that a Sub-Committee be constituted as follows to explore and examine the question of the future lines of work of the Mills' and to report to the Board before the next Meeting:-"

1) Rajasabhabhushana Diwan Bahadur C. Srikanteswara Aiyar, Esq., B.A., B.L., (Chairman)
2) A.V. Ramanathan, Esq., B.A.,
3) P. Subbarama Chetty, Esq.,
4) A. Krishna Rao, Esq., B.A., B.L.,
5) M.S. Ramchendra Rao, Esq., B.A., (General Manager).

- * -

" Copy "

S. 31.1.34

M. Ramchendra 1-2-34

General Manager.

G. R. S. App. F VI—G 2]

SUBJECT.....

.....

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Diary No. of letter replied to.....

Section G. 2.

File No. 195-33

Serial No. 12

General and Revenue Secretariat

( )

the *193* .

Proceedings of the Government of His Highness the Maharaja of Mysore.

Date of issue..... 1/7/193 4

Signed by.....

Read— Correspondence ending with letter No 1288 dt 1.2.34 from the General Manager S. C. Rly ~~dt~~ ~~to the Rly Board~~ ~~from~~ relief by way of protection to the Yarn Order thereon—No ~~from~~ industry from the Govt of India before the end of March 1934 ~~and Legislation~~ in view of the prevailing slump that the stipulation about the maintenance of a margin of 25% per cent margin in the securities

May this be—

(i) printed ?

(ii) treated as a standing order ?

(iii) published in the Gazette, English part ?

(iv) translated ?

(v) placed at the disposal of the press ?

(vi) published in the Gazette, kannada part ?

to be held against the Working
advance loan be suspended
till the date end of March '34
Order No 2[illegible] 1[illegible]
The stipulation of the maintenance
of 25% Margin is waived as
a temporary measure till end of
March 1934. The Pubs should
however try to see that
the value of the securities
does not fall short of the
amount of advance drawn from
the Banks. The sanction
is subject to the qualifications

14/2/34

List of Enclosure

To the Comptr.
Gl Manager Cashier,
Dri of D&c.

Copied by

Examined by

WD 0254—GPB—10,000—22-8-32

PROCEEDINGS OF THE GOVERNMENT OF HIS HIGHNESS
THE MAHARAJA OF MYSORE

Read:-

Correspondence ending with letter No.1288 dated 1st February 1934 from the General Manager, Sri Krishnarajendra Mills, requesting in view of the prevailing slump that the stipulation about the maintenance of a margin of 25 per cent in the securities to be held against the working advance loan be suspended till the end of March 1934.

Order No. Fe:4855-7 G.F. 195-33-12

Dated, Bangalore, 15th February 1934.

The stipulation of the maintenance of 25 per cent margin is waived as a temporary measure till the end of March 1934. The Mills should however try to see that the value of the securities does not fall short of the amount of advance drawn from the Treasury.

K Venkata Rao
Financial Secretary to Government

To

The Comptroller to Government.
The General Manager, Sri Krishnarajendra Mills.
The Director of Industries and Commerce in Mysore.

T.G.4.

G-7-195-33

CONFIDENTIAL.

Proceedings of the Government of Mysore.

Read

1. Government Order No. Fl 4855-7 G F 195-33-12 dated 15/16th February 1934, waiving as a temporary measure till the end of March 1934, the stipulation about the maintenance of a margin of 25 per cent in the securities to be held by the Sri Krishnarajendra Mills, Mysore, against the working advance loan granted to the Mills.

2. Letter dated 27th March 1934 from the General Manager, Sri Krishnarajendra Mills, forwarding ~~extract from~~ ~~a copy of~~ the proceedings of the 75th meeting of the Board of Directors held on the 24th March 1934, and requesting, for reasons stated, sanction of Government to the ~~following Resolution~~ ~~proposal~~ of the Board of Directors; ~~among others, viz.~~ -

("That Government be approached with a request that as it is not likely that the concern will make immediately sufficient profits to enable it to maintain the margin required by Clause 12 of the Cash credit agreement dated 9th December 1931, the condition regarding the maintenance of such margin may be released for the present till 31st July 1934 and the Mills may be permitted to operate on the personal deposit account to the full extent, irrespective of the value of securities and without the preparation of the margin statement at the time of each drawing".

Order No. Dated 28th March 1934

~~Sanctioned.~~

3. The Director of Industries and

Commerce will keep himself in close touch with the Mills and see that money is drawn and spent only for absolutely necessary purposes.

4. In the meantime, necessary steps should be taken to improve the position of the Mills.

28/3

Financial Secretary.

28-3-34

To

The Comptroller to Government

The General Manager, Sri Krishnarajendra Mills

The Director of Industries & Commerce in Mysore.

PROCEEDINGS OF THE GOVERNMENT OF HIS HIGHNESS THE MAHARAJA OF MYSORE

Read:-

Government Order No.Fl.4855-7/G.F.195-33-12 dated 15/16th February 1934, waiving as a temporary measure till the end of March 1934, the stipulation about the maintenance of a margin of 25 per cent in the securities to be held by the Sri Krishnarajendra Mills, Mysore, against the working advance loan granted to the Mills.

2. Letter dated 27th March 1934 from the General Manager, Sri Krishnarajendra Mills, forwarding a copy of the proceedings of the 75th Meeting of the Board of Directors held on the 24th March 1934, and requesting, for reasons stated, sanction of Government to the proposals of the Board of Directors in regard to the future working of the concern and the relaxation of the present condition regarding maintenance of margin in the value of securities.

Order No. Fl 625[illegible]-7 G.F 195-33.14

Dated, Bangalore, the 31st March 1934.

~~The~~ Government are pleased to allow the Mills to continue to work on the present lines till 31st July 1934 and to relax till the same date the condition regarding the maintenance of the margin required by Clause 12 of the Cash credit agreement dated 9th December 1931 and permit the Mills to operate on the personal deposit account to the full extent, irrespective of the value of securities and without the preparation of the margin statement at the time of each drawing.

2. This should not be understood to imply that the Government have accepted the view of the Board that the Mills may continue to work so long as there are no losses in working.

3. The Director of Industries and Commerce will keep himself in close touch with the Mills and see that money is drawn and spent only for absolutely necessary purposes.

4. In the meantime, necessary steps should be taken to improve

the position of the Mills.

K Shamanna
Financial Secretary to Government.

To

The Comptroller to Government of Mysore
The General Manager, Sri Krishnarajendra Mills
The Director of Industries and Commerce in Mysore

Psk.6